

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS - EASTERN DIVISION

In re:) Chapter 7
)
PELHAM ENTERPRISES, INC.,) Case No. 07 B 01312
)
Debtor.) Honorable John H. Squires
)
) Courtroom 680
)
) Hearing: June 7, 2010 at 10:00 a.m.

**COVER SHEET FOR FINAL APPLICATION
FOR PROFESSIONAL COMPENSATION OF BAUCH & MICHAELS, LLC**

Name of Applicant: Bauch & Michaels, LLC
Authorized to Provide
Professional Services to: Trustee
Date of Order Authorizing Employment: March 22, 2007
Period for Which Compensation is Sought: February 1, 2008 to September 4, 2009
Amount of Fees Sought: \$3,188.00
Amount of Expense Reimbursement Sought: \$47.97
This is an: Interim Application
Final Application X

If this is not the first application filed herein by this professional, disclose as to all prior fee applications:

| <u>Date Filed</u> | <u>Period Covered</u> | <u>Total Requested Fees and Expenses</u> | <u>Total Allowed</u> | <u>Any Amount Ordered Withheld</u> |
|-------------------|-----------------------|--|----------------------|------------------------------------|
| 3/4/08 | 1/25/07-1/31/08 | \$62,867.71 | \$62,173.21 | \$0 |

The aggregate amount of fees and expenses paid to the Applicant to date for services rendered and expenses incurred herein is \$62,173.21

Applicant: Bauch & Michaels, LLC

Dated: May 27, 2010

By: /s/ Paul M. Bauch

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS - EASTERN DIVISION

| | | |
|---------------------------|---|---------------------------|
| In re: |) | Case No. 07 B 01312 |
| |) | |
| PELHAM ENTERPRISES, INC., |) | Chapter 7 |
| |) | |
| Debtor. |) | Honorable John H. Squires |
| |) | |

**APPLICATION FOR FINAL ALLOWANCE
OF COMPENSATION AND REIMBURSEMENT
OF EXPENSES TO THE SPECIAL COUNSEL FOR THE TRUSTEE**

Bauch & Michaels, LLC (“Bauch & Michaels”), as special counsel for Joseph A. Baldi, Trustee for the estate of Pelham Enterprises Inc. (“Pelham” or “Debtor”), pursuant to 11 U.S.C. §§ 330, 331, 507(a)(1), requests a final award of compensation and reimbursement of out-of-pocket expenses for the period of February 1, 2008 through September 4, 2009 (the “Application”).

JURISDICTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A) and (O).

BACKGROUND

2. On January 25, 2007, the Debtor filed its voluntary petition for relief under chapter 7 of title 11, United States Code, 11 U.S.C. §§ 101 *et seq.*, (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the “Court”). Prior to its filing, the Debtor operated a restaurant known as “Joey Buona’s Pizzeria Grille” in Chicago, Illinois. At the time of the commencement of the case, the Debtor’s only assets were certain

furniture, fixtures and equipment (the “FF&E”), in the possession of the adverse parties and located at its former business premises, and the claims for relief described herein.

3. On January 31, 2007, the Trustee was duly appointed trustee for Debtor’s estate and continues to serve in that capacity.

4. On March 22, 2007, upon the Trustee’s application, this Court authorized the employment of Bauch & Michaels as special counsel to the Trustee as of the petition date to provide services relating to the prosecution, defense and settlement of the claims and other matters relating to the administration of the case.

5. During the prior application period, Bauch & Michaels’ services and expenses were provided or incurred in connection with the settlement of the Debtor’s claims against Joey Buona’s Pizzeria Grille-Chicago, L.L.C.; The Buona Companies, L.L.C., Superior Street, L.L.C., BG East, L.L.C.; and Carlo Buonavolanto (the “Buona Defendants”) for alleged violations of the Illinois Franchise Disclosure Act (IFDA), 815 ILCS § 705/1 *et seq.*, the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS § 505/1 *et seq.*, common law fraud, to recover fraudulent transfers of Pelham’s assets, and to avoid obligations incurred to or on behalf one or more of the Buona Defendants pursuant to the alleged unlawful offering and sale of a franchise.

6. Bauch & Michaels’ Application describes in detail the services provided to the Trustee and the time spent in connection with the rendering of those services

during this Application Period. To aid the Court in its review of the requested compensation and reimbursement, Bauch & Michaels has divided the Application into three parts. Part I describes the administrative and legal issues encountered by Bauch & Michaels in its representation of the Trustee; the actions which Bauch & Michaels took to address and resolve those issues; and the results which were obtained. Part II describes Bauch & Michaels' qualifications and areas of special expertise. Part III describes the manner in which the fees and costs were calculated.

I. SERVICES PERFORMED

A. Bankruptcy/Administration

Bauch & Michaels provided services to the Trustee relating to administrative matters affecting the estate.

| Bauch & Michaels, LLC Employee | Hourly Rate | Hours | Total |
|--------------------------------|-------------|--------------|-------------------|
| Paul M. Bauch | 375.00 | 5.30 | 1,987.50 |
| Paul M. Bauch | 0.00 | 3.30 | 0.00 |
| Kenneth A. Michaels Jr. | 350.00 | 0.00 | 0.00 |
| Carolina Y. Sales | 175.00 | 4.70 | 822.50 |
| Carolina Y. Sales | 195.00 | .20 | 0.00 |
| Carolina Y. Sales | 0.00 | 9.90 | 0.00 |
| Lucas Hinkle | 150.00 | 0.00 | 0.00 |
| Sonserese Hatch, Paralegal | 95.00 | 0.00 | 0.00 |
| TOTALS | | 23.40 | \$2,810.00 |

Amount Requested: \$2,810.00

B. Fee Applications:

Bauch & Michaels provided services relating to the preparation of the first interim fee application and this Application.

| Bauch & Michaels, LLC Employee | Hourly Rate | Hours | Total |
|--------------------------------|-------------|-------|-------|
|--------------------------------|-------------|-------|-------|

| | | | |
|----------------------------|--------|-------------|------------------|
| Paul M. Bauch | 375.00 | 0.00 | 0.00 |
| Paul M. Bauch | 0.00 | .40 | 0.00 |
| Kenneth A. Michaels Jr. | 350.00 | 0.00 | 0.00 |
| Carolina Y. Sales | 175.00 | 1.40 | 245.00 |
| Carolina Y. Sales | 0.00 | 1.00 | 0.00 |
| Lucas Hinkle | 150.00 | 0.00 | 0.00 |
| Sonserese Hatch, Paralegal | 95.00 | 1.40 | 133.00 |
| Sonserese Hatch, Paralegal | 0.00 | 2.60 | 0.00 |
| TOTALS | | 6.80 | \$ 378.00 |

Amount Requested: \$378.00

II. PERSONS PROVIDING SERVICES FOR THE TRUSTEE

A. Attorneys

The attorneys primarily responsible for providing services to the Debtor include:

Paul M. Bauch (PMB) is a partner of Bauch & Michaels. He is a 1983 graduate of the University of Miami School of Law. He was the Chairman of the Creditors' Rights, Bankruptcy and Business Reorganizations Group for a large Chicago law firm for eight years. Mr. Bauch is licensed to practice in Illinois, Florida and Washington, D.C., a member of the bar of numerous United States Courts of Appeals and District Courts, and a member of the trial bar of the Northern District of Illinois. Mr. Bauch's hourly rate is \$375.00.

Kenneth A. Michaels Jr. (KAM) is a partner of Bauch & Michaels. He is a 1983 graduate of The John Marshall Law School. Mr. Michaels is licensed to practice in Illinois, is a member of the bar of the United States Court of Appeals for the Seventh Circuit and numerous United States District Courts, and is a member of the trial bar of the Northern District of Illinois. Mr. Michaels' hourly rate is \$350.00.

Carolina Y. Sales (CYS) is an associate of Bauch & Michaels. She is a 2005 graduate of The John Marshall Law School and obtained an LL.M. in real estate law in 2010. Ms. Sales is licensed to practice in Illinois, is a member of the bar of the United States Court of Appeals for the Seventh Circuit, is admitted to practice before the United States District Court for the Northern District of Illinois, and is a member of its trial bar. Ms. Sales' hourly rate is \$175.00.

Luke J. Hinkle (LH) is an associate of Bauch & Michaels. He is a 2007 graduate of DePaul University College of Law. Mr. Hinkle became

licensed in Illinois on November 8, 2007 and is admitted to practice before the United States District Court for the Northern District of Illinois. Mr. Hinkle's hourly rate is \$150.00.

B. Paralegal

Sonserese Hatch (SH) is a 2007 graduate of Roosevelt University's paralegal studies program. Ms. Hatch's hourly rate is \$75.00.

III. CALCULATION OF TIME AND FEES

This is Bauch & Michaels' final request for compensation and reimbursement of expenses for the Application Period of approximately fourteen months. All professional services for which compensation is requested herein, and all reimbursement of expenses incurred, have been for services directly related to the representation of the Trustee, and were rendered for the benefit of the estate of the Debtor. No agreement or understanding exists between Bauch & Michaels and any other person for the sharing of compensation received or to be received in connection with this case, other than as authorized pursuant to § 504 of the Bankruptcy Code. Bauch & Michaels has not entered into any agreement to set fees in this case.

As set forth in the attached Exhibit 1, Bauch & Michaels has spent a total of 30.2 hours providing necessary legal services for the Trustee and this estate during the Application Period. Therefore, it requests compensation for \$3,188.00 for the actual, necessary legal services provided to the Trustee. In addition, Bauch & Michaels has incurred actual and necessary expenses in the sum of \$47.97 in representing the Trustee. Pursuant to the Trustee's request, Bauch & Michaels has removed any charges in connection with the Debtor's response to tax-related issues.

In preparing this Application for Final Allowance of Compensation and Reimbursement of Expenses Incurred as Special Counsel to the Trustee, Bauch & Michaels has calculated the amount of time spent by each attorney in performing actual, necessary legal services for the Trustee. The data used came from computer billing reports that are kept for each Bauch & Michaels client. These billing reports reflect contemporaneous time entries of services provided, which records are kept as part of Bauch & Michaels' standard operating procedures. The hourly rates charged are the hourly rates charged by Bauch & Michaels for comparable services to clients in non-bankruptcy related matters. Bauch & Michaels uses a tenth of an hour system for its clients.

To aid the Court in its review of this material, Bauch & Michaels has categorized its time by topic. For purposes of this Application, Bauch & Michaels used two categories: Bankruptcy Administration and Professional and Fee Applications.

There has been no duplication effort between Bauch & Michaels and the Trustee. The compensation sought in the Application relate to legal services, and not trustee services. As the estate now has funds available to pay this compensation and reimburse the expenses in full, the Court should award the amounts sought under the Application.

BILLING PROCEDURES

Time entries are printed or voice recorded in daily logs, which are transferred to a TimeSlips, a computerized billing program. These entries are processed and reported in the billing reports attached to this Application.

The categories and time spent under each category are as follows:

| Category | Hours | Charges |
|---------------------------|--------------|-------------------|
| Bankruptcy Administration | 23.40 | \$2,810.00 |
| Fee Applications | 6.80 | 378.00 |
| Totals | 30.20 | \$3,188.00 |

Bauch & Michaels also incurred \$47.97 of out-of-pocket expenses during the Application Period. Most of the expenses are for witness fees, service fees, postage and other delivery expenses, photocopying from an outside source, and messenger fees. These expenses were incurred in connection with the preparation and filing of pleadings with this court, attending court hearings and meetings with the Trustee, trial preparation, and providing notice to various parties in interest. Furthermore, Bauch & Michaels requests this Court to approve a shortened notice period for this Application.

WHEREFORE, Bauch & Michaels, LLC respectfully requests that this Court enter an order:

1. Allowing a shortened notice period for this Application;
2. Awarding Bauch & Michaels \$3,188.00 for the actual, necessary legal services rendered to the Trustee during the period covered by this Application;
3. Awarding Bauch & Michaels the additional amount of \$47.97 as reimbursement for its actual, necessary expenses incurred in providing actual, necessary legal services to the Trustee during the period covered by this Application;
4. Authorizing and directing the Trustee to pay the amounts awarded to Bauch & Michaels; and

5. Granting such other relief as may be just.

Dated: May 27, 2010

BAUCH & MICHAELS, LLC

By: /s/ Paul M. Bauch

Paul M. Bauch (ARDC # 6196619)
Kenneth A. Michaels Jr. (ARDC #6185885)
Carolina Y. Sales (ARDC #6287277)
Luke J. Hinkle (ARDC #6294323)
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